

SIMPSON THACHER & BARTLETT LLP

425 LEXINGTON AVENUE
NEW YORK, NY 10017-3954
(212) 455-2000

FACSIMILE (212) 455-2502

DIRECT DIAL NUMBER
(212) 455-3136

E-MAIL ADDRESS
dwo11@stblaw.com

BY E-MAIL

November 14, 2012

Re: FHFA Actions (DLC) (S.D.N.Y)

The Honorable Denise L. Cote
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 1610
New York, New York 10007-1312

Dear Judge Cote:

As indicated in Defendants' joint submission filed earlier today, Plaintiff and Defendants reached an agreement (initially proposed by FHFA) that no proposals concerning re-underwriting and expert schedules for cases in Tranches 3 or 4 would be submitted to the Court and that counsel for the parties in those cases would meet and confer no later than February 1, 2013, with the benefit of knowing how the re-underwriting process had progressed in the first months of the Tranche 1 and 2 cases. Consequently, the Tranche 3 and 4 Defendants did not submit anything concerning the re-underwriting and expert schedule for their cases. Despite this agreement, FHFA's submission to Your Honor concerning the re-underwriting schedule included, as Exhibit 1, a proposed Order that contains provisions pertaining to Tranches 3 and 4.

We contacted counsel for FHFA, who acknowledged that the submission of this aspect of the proposed Order was contrary to the agreement reached between the parties. We asked FHFA to withdraw this aspect of the proposed Order to avoid any possible misimpression by the Court that the parties were proposing to address Tranches 3 and 4 at this time. Despite following up on this request, we have not yet heard back from Plaintiff. We expect that Plaintiff will notify the Court that the exhibit was submitted in error and that no order should be entered with respect to Tranches 3 and 4. Nonetheless, given that the hearing is tomorrow and not having received a response from Plaintiff, we thought it important to make clear that the parties have agreed to defer consideration of Tranche 3 and

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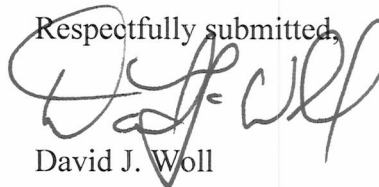
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4 re-underwriting and expert scheduling issues and that, accordingly, Plaintiff's proposed Order should not be entered.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. J. Woll", is written over the typed name.

David J. Woll

cc: Counsel of record